

Message Text

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70

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAJ-01

COME-00 EB-07 FRB-03 OMB-01 TRSE-00 AID-05 FEA-01

/074 W

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R 131518Z FEB 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7953

INFO AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY LUXEMBOURG

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E.O. 11652: N/A

TAGS: EGEN, GW, EG

SUBJECT: VISIT OF GERMAN INDUSTRIAL DELEGATION TO
EGYPT

1. A 30-ODD MAN GERMAN INDUSTRIAL MISSION HEADED BY
GERMAN MANUFACTURERS ASSOCIATION PRESIDENT SOHL
VISITED EGYPT FROM FEBRUARY 4-6. ACCORDING TO PRESS
REPORT THE VISIT INCLUDED REPRESENTATIVES FROM A WIDE
RANGE OF INDUSTRIES INCLUDING MACHINE BUILDING,
ELECTRONICS, CONSTRUCTION, IRON AND STEEL, AIRCRAFT
AND CHEMICALS. WE DISCUSSED THIS VISIT WITH AN
ECONOMICS MINISTRY OFFICIAL WHO ACCOMPANIED THE GROUP.

2. ACCORDING TO OUR SOURCE THE IMPETUS FOR THE VISIT

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CAME FROM THE MANUFACTURERS ASSOCIATION WITH

CONSIDERABLE PRODDING ON THE PART OF THE GERMAN GOVERNMENT. ITS PRIMARY PURPOSE WAS TO FULFILL A POLITICAL COMMITMENT MADE AT THE TIME OF EGYPTIAN FOREIGN MINISTER FAHMI'S VISIT TO BONN LAST SUMMER (SEE BONN 10890). THERE WAS LITTLE EXPECTATION OF CONCRETE BUSINESS DEALS RESULTING FROM THE VISIT AND THE RESULTS BORE THIS OUT

3. MOST OF THE DISCUSSIONS DURING THE VISIT WERE OF A VERY GENERAL NATURE FOCUSSING ON INVESTMENT CONDITIONS IN EGYPT AND THE EGYPTIAN DESIRE FOR INCREASED PRIVATE FOREIGN INVESTMENT. THE EGYPTIANS HAD PREPARED A LIST OF OVER 20 SPECIFIC PROJECTS RANGING FROM TRUCKS AND BUSES TO A PETROLEUM REFINERY ON WHICH THEY HAD HOPED FOR SIGNS OF GERMAN INTEREST BUT THERE WAS LITTLE DISCUSSION OF THE SPECIFIC PROJECTS.

4. ACCORDING TO OUR SOURCE THE GERMAN BUSINESSMEN WERE PLEASED WITH THE ATMOSPHERE OF THE VISIT. THEY WERE IMPRESSED WITH THE CALIBER OF THE MINISTERS THAT THEY DEALT WITH AND ADMIRED THE EGYPTIANS' DETERMINATION TO CONTINUE THEIR OPEN ATTITUDE TOWARD PRIVATE FOREIGN INVESTMENT IN SPITE OF THE SOVIET OBJECTIONS TO THIS POLICY. OUR SOURCE STATED THAT THERE IS LITTLE PROSPECT FOR ANY SIGNIFICANT INCREASE IN GERMAN INVESTMENT IN EGYPT IN THE SHORT TERM HOWEVER. HE NOTED THAT EGYPT'S TREMENDOUS FOREIGN EXCHANGE GAP AND ITS REQUIREMENT THAT INVESTORS EARN THEIR OWN FOREIGN EXCHANGE NEEDS THROUGH EXPORTS OR IMPORT SUBSTITUTION MAKE GERMAN FIRMS EXTREMELY WARY OF INVESTING IN EGYPT. HE NOTED THAT EVEN THE IDEA OF COMBINING GERMAN KNOWHOW WITH OIL PRODUCERS' MONEY IN EGYPT WAS NOT EVOKING MUCH OF A RESPONSE FROM GERMAN BUSINESSMEN.

5. FOR POLITICAL REASONS THE GERMAN GOVERNMENT WILL CONTINUE TO ENCOURAGE CONTACTS BETWEEN GERMAN INDUSTRY AND EGYPT BUT THE PROSPECTS OF INCREASED BUSINESS REMAIN SLIM. GERMAN FOREIGN MINISTER GENSCHER IS

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SCHEDEDULED TO VISIT CAIRO IN CONJUNCTION WITH THE GERMAN/EGYPTIAN ECONOMIC COMMISSION SOMETIME IN LATE MARCH. HILLENBRAND

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Message Attributes

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Disposition Case Number: n/a
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